



DEPARTMENT OF THE ARMY
HEADQUARTERS UNITED STATES ARMY FORCES COMMAND
1777 HARDEE AVENUE SW
FORT MCPHERSON GEORGIA 30330-1062

REPLY TO
ATTENTION OF

AFLG-PR

31 July 1997

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Contracting Information Letter (CIL) 97-34

1. This CIL contains information on the following subjects:

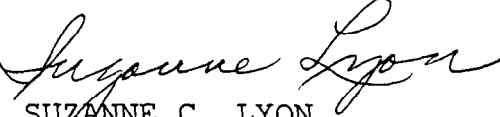
a. The Army Atlanta Contracting Center (AACC) Fiscal Year 1996 Report and

b. The Army Contracting for the 21st Century Booklet.

2. The Army Atlanta Contracting Center (AACC) Fiscal Year 1996 Report. For you information, a copy of the AACC FY 96 report is provided at enclosure 1.

3. The Army Contracting for the 21st Century Booklet. Reference memo, SARD-PR, 25 June 1997, SAB (encl 2). A copy of the Army Contracting for the 21st Century booklet is provided.

2 Encls
as


SUZANNE C. LYON
Acting Chief, Contracting
Division, DCSLR

AFLG-PR

SUBJECT: Contracting Information Letter (CIL) 97-34

DISTRIBUTION:

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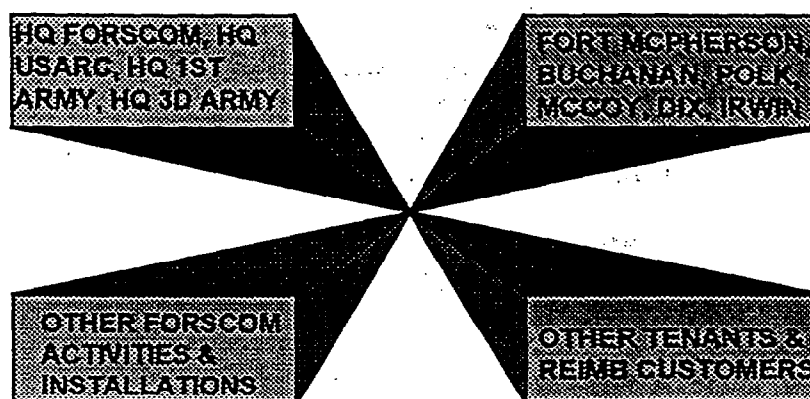
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ARMY ATLANTA CONTRACTING CENTER, ATTN: AFLG-PRC

ARMY ATLANTA CONTRACTING CENTER



FISCAL YEAR 1996 REPORT

28 May 1997

"AACC - CUSTOMER AND QUALITY FIRST"

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At the end of Fiscal Years (FY) 92, 93, and 94, the former FORSGOM Central Contracting Office (CCO) has issued an annual report detailing events in relation to personnel, statistics, savings, facilities and equipment, management initiatives, and other items of note.

At the end of May 1995 the former CCO and the Fort McPherson Directorate of Contracting, including a sub-office at Fort Buchanan, Puerto Rico, merged into a single office called the Army Atlanta Contracting Center (AACC). In addition, at the end of FY 95 the FORSCOM Commanding General, the Corps Commanders, and the USARC Commander approved regionalizing contracting within certain parameters. The AACC was designated as one of four regional contracting offices within FORSCOM. These initiatives necessitated some changes in the FY 95 annual report, which have been continued in this FY 96 edition. While the same subjects are covered as previously, the content is adjusted to take these changes into account. Not only will FY 96 be addressed, but the report will look forward as well.

The tradition of looking back at our accomplishments will continue in this report. It is important to reflect on what we have done in order to establish the context for what we want to do in the future. This historical record, along with those from FY 92-95, provides the AACC an invaluable resource, so that both past and future years can be measured against the standard we have set ourselves:

"AACC - Customer and Quality First!"

Ronald E. Howell

RONALD E. HOWELL
Chief, Army Atlanta
Contracting Center

May 28, 1996

(i)

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PREFACE



ARMY ATLANTA CONTRACTING CENTER

MISSION STATEMENT

- SOLICIT, AWARD & ADMINISTER CONTRACTS IN SUPPORT OF CUSTOMERS & MANAGE IMPAC PROGRAM
- PROVIDE REGIONALIZED & CONSOLIDATED SUPPORT FOR INSTALLATION PARTNERS, PERFORM MASTER CONTRACTING, PROVIDE BASOPS CONTRACTING/LOCAL PURCHASE



ARMY ATLANTA CONTRACTING CENTER

AACC ORGANIZATIONAL VISION

THE AACC: A HIGH PERFORMANCE CONTRACTING OFFICE...PROVIDING REGIONALIZED AND CONSOLIDATED SUPPORT...FOCUSED ON MISSION, RESULTS, AND CUSTOMERS...FLEXIBLE AND INNOVATIVE...COMMITTED TO SUPPORTING OUR SOLDIERS AND CIVILIANS...A CENTER OF CONTRACTING EXCELLENCE IN FORCES COMMAND.



"CUSTOMER AND QUALITY FIRST!"

SECTION I - PERSONNEL

1. Reorganization.

a. On May 28, 1995, as outlined in the AACC FY 95 year-end report, the former Garrison DOC and the FORSCOM Central Contracting Office combined to form the AACC.

b. In accomplishing this consolidation, the DOC and the Chief, CCO worked in concert to establish a new organizational structure, including the allocation of existing personnel within the new structure. The new organization was designed differently from the traditional alignment of contracting offices, which included four divisions: contracting, contract administration, purchasing and support. Instead, the office was realigned along customer/commodity lines: Facilities Support Section, Supply and Services Section, Technology Section, and the Office of the Chief in Atlanta, and Puerto Rico Contracting Section at Fort Buchanan de Guaynabo, Puerto Rico. The total number of personnel was 51, excluding a DA Intern. During FY 96 the organizational structure remained unchanged, although there were some changes in numbers of employees as addressed below. The resulting organization at the end of FY 96 is as shown on Figure 1.

(1) An additional space was added to Supply and Services Section via a Memorandum of Understanding with Fort Polk. As the result of the FORSCOM Preaward Regionalization Study, a Memorandum of Agreement was reached between FORSCOM and Fort Polk for funds and one full-time-equivalent (FTE) ceiling to be transferred to the AACC. This position was recruited and hired as a GS-1102-12 with the position being filled 28 April 1996.

(2) The position of the former DOC Secretary, previously slotted under Facilities Support Section, was transferred to the Office of the Chief upon departure of the former Secretary of the CCO. The latter position was transferred to Technology Section to provide an additional space for administrative support.

(3) An FA 97 Captain (Promotable) was slotted as excess in the AACC for contingency contracting training purposes. This military asset began with a rotation in Facilities Support Section working Joint-Task Force Olympic projects.

ORGANIZATION

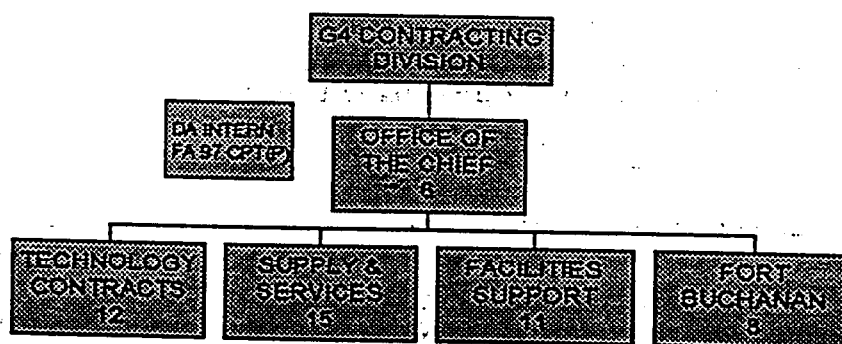


FIGURE 1

2. Employees.

a. During FY 96 jobs were reengineered and employees moved within the organization as the AACC matured. The GS-0318-06 Secretary-Steno position from the DOC was changed to a GS-0303-06 Office Services Assistant and moved from Facilities Support to the Office of the Chief. This was done concurrently with two separate departures in order to provide additional professional support in Technology Section. With the departure of the incumbent in the GS-0318-05 Secretary position from the CCO, the position was moved to Technology Section and filled with a DCSLR employee from the displaced employees list. This individual, who arrived late in September of the FY, was detailed to a set of 1106 duties with the intention of reengineering the job to a procurement technician. The Section was without administrative support due to the departure of the GS-1106-06 procurement clerk. This position was reestablished as a GS-1102-09 and filled with an existing AACC employee from Supply and Services Section. This created a vacancy in that Section in which to slot the DA intern upon graduation. In addition the GS-1106-04 slot in Facilities Support was upgraded to a GS-05. The overall result was the elimination of one clerical/administrative position in favor of adding a professional position, achievement of consistency within the Sections of one 1106-05 assigned to each, and lead administrative functions located in the Office of the Chief under

b. Within AACC Atlanta, there were two other turnover actions that did not affect the organizational alignment. One GS-1102-12 was vacated in Supply and Services Section and promoted from within the Section. The 11 vacancy was back-filled with a spouse priority from Fort Stewart.

c. Personnel turnover at Puerto Rico Contracting Section at Fort Buchanan was severe during FY 96. The GS-1102-12 Chief was vacated, as well as two GS-1102-11 positions. In addition, a GS-1105-05 had been vacant pending disability retirement of the incumbent for some 18 months. By the end of the fiscal year, all of these positions had been filled (one GS-1102-11 was filled twice). In addition, the vacated GS-1105-05 position had been reengineered to a GS-1102-05/07/09 upward mobility position. The success in finally getting the Section up to its full authorized strength of eight was mitigated to some extent by the extended leave without pay of the remaining GS-1105-05 beginning in July 1996 and extending through and beyond fiscal year end.

d. In addition to the above, the AACC enjoyed the challenge of matrix-managing requirements in support of the Joint Task Force - Olympics (JTFO) for the 1996 Summer Olympiad in Atlanta. At one point, AACC had three military assets assigned for this mission: one Navy Lieutenant Commander, one Army Sergeant First Class, and one Marine Sergeant.

3. Overtime. During FY 95 FORSCOM HQ ended paid overtime based on pay ceilings within the headquarters. This policy continued through FY 96, presenting an extreme challenge to the AACC since year-end workload and Olympic support workload required significant resources. Through a combination of compensatory time and customer-funded overtime the AACC processed 43.5% of its workload (total actions processed) in the fourth quarter (918 out of 2109 total actions). Over \$65,000 in overtime was used by the two organizations (including the Puerto Rico office) in FY 94, in addition to slightly over 1,000 hours of compensatory time (CCO). Data on overtime and compensatory time is shown in Figure 2.

OVERTIME			
	HOURS	DOLLARS	
FY 95			
OT	579	\$13,000	
CT	1,600		
FY 96			
OT	1,089	\$24,600	
CT	2,269		

FY 94
\$65K
DOC/CCO

ALL OVERTIME CUSTOMER-FUNDED
FY 95/96 DIFFERENCE ATTRIBUTABLE TO JTFO

FIGURE 2

4. Awards.

a. Monetary. The AACC was able to use its awards budget of \$38,750 in full to recognize both AACC employees and others. In addition, ten monetary awards were provided by outside activities. A total of 39 AACC employees (75%) received monetary awards; five received quality step increases; and six employees in SJA and Contracting Division were recognized by the AACC with monetary awards as well.

b. Other. In addition to its growing "wall of fame" in the hallway of Building 130, an AACC employee was presented with a civilian commendation medal, and numerous coins (G4, Garrison Commander, Dragon War Fighting Center, and Department of the Army) were received by individual employees and the office. At the 1997 Contracting Workshop, the AACC also received an Installation Excellence Award for 1996 from the Commanding General.

5. Training.

a. Per cent of mandatory training for the 1102/1105 workforce is shown in Figure 3. The percentage is somewhat

affected by the low professional training level of some new hires at Puerto Rico Contracting Section. Because of the high training

rate, additional focus has been placed on Level III courses for Level II personnel.

b. - Three AACC personnel took part in the DA tuition assistance program during FY 96 for degree completion or to complete 24 Semester Hours in business.

c. The AACC focus remains on total workforce training. However, limited funds for other than PERSCOM training for the professional workforce has limited AACC's accomplishments in this area.

TRAINING

	<u>FY 95</u>	<u>FY 96</u>
MANDATORY TRAINING COMPLETED AS OF FY	99%	96%

WORKFORCE CERTIFICATION AS OF END FY 96: 93%
(40 OF 43 CERTIFIED AT LEAST AT LEVEL REQUIRED)

CRUZ (5/7/9, PRCS)

PEREZ-CANARIO (DA INTERN)

WOLFE (PRCS)

6. Organizational Cohesion. In combining two separate organizations with different personalities and philosophies, a problem in organization cohesion was noted in FY 96. Through a combination of strategic planning and office social activities (including a separate AACC sunshine fund, "Secret Pals", and luncheons and picnics), as well as the Self-Directed Work Group (discussed later in Section V), much of this problem was resolved.

SECTION II - STATISTICS

1. Actions and Dollars.

a. The AACC experienced its most productive year ever in terms of obligations during FY 96. During FY 95 the AACC had a grand total of 10,742 actions totaling \$89.8 million in obligations (the AACC does not receive credit for requirements contracts it awards which are used by other FORSCOM installations). During FY 96 the AACC had a grand total of 5,033 actions and \$110.6 million. The increase in dollars represents a 23 percent increase over FY 95. Actions over \$25 thousand increased 34 percent. These large increases are attributed to the numerous special actions in support of the Olympics, the FORSCOM Contingency Service Support Contract (Haiti) and the increased workload due to Contract Regionalization. The dollar total was the third highest total dollar obligation among FORSCOM installations. The decrease in number of actions is primarily attributed to a change in counting procedures from FY 95 to FY 96 in credit card actions. See Figures 4 and 5.

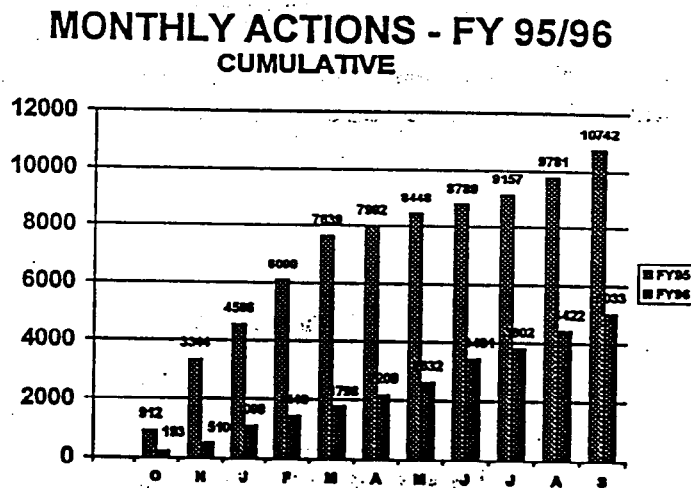


FIGURE 4

MONTHLY OBLIGATIONS - FY 95/96 CUMULATIVE

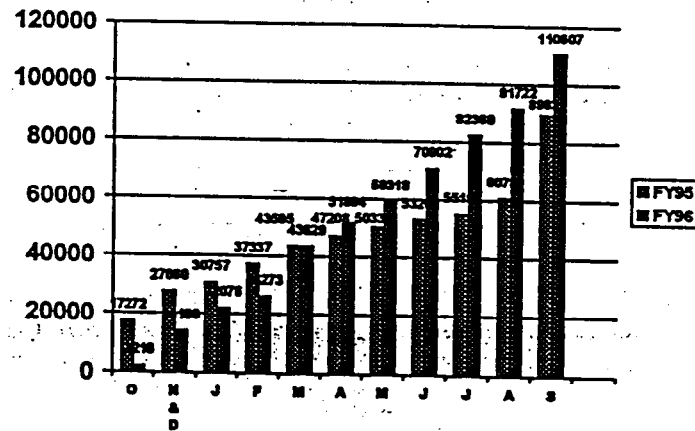
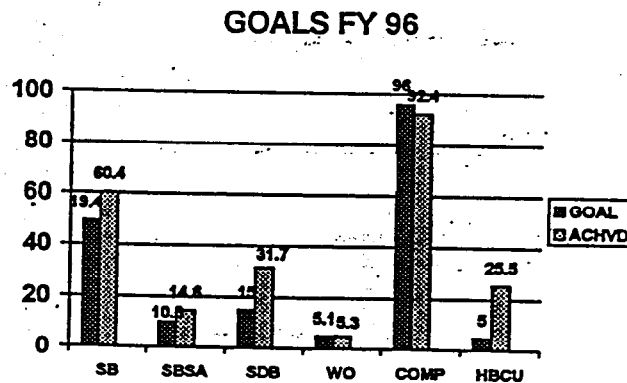


FIGURE 5

b. The AACC achieved the following percentages of its assigned goals for socio-economic and competition (Figure 6):



ALL GOALS EXCEEDED EXCEPT COMPETITION

FIGURE 6

The performance of the AACC in this arena resulted in recognition of its Small and Disadvantaged Business Utilization Specialist (SADBUS) as DA SADBUS of the year for FY 96.

2. Credit Cards. The AACC achievements in this area are depicted in Figures 7 and 8.

IMPAC PROGRAM

- TOTAL CC ACTIONS FY 96 - 17,421
- TOTAL CC DOLLARS FY 96 - \$8.455M
- MICROPURCHASE ACTIONS - 14,555
- MICROPURCHASE DOLLARS - \$6.393M
- CARDHOLDERS - 333
- APPROVING OFFICIALS - 181

FIGURE 7

Overall, card usage "outside of the DOC" increased substantially from FY 95 to FY 96. While the AACC in Atlanta exceeded the 90% goal for card usage outside of the DOC, the PRCS experienced difficulty in this regard. Cultural differences in the method of doing business in Puerto Rico have presented PRCS with a significant challenge in the Government credit card program goal. (See Figure 8).

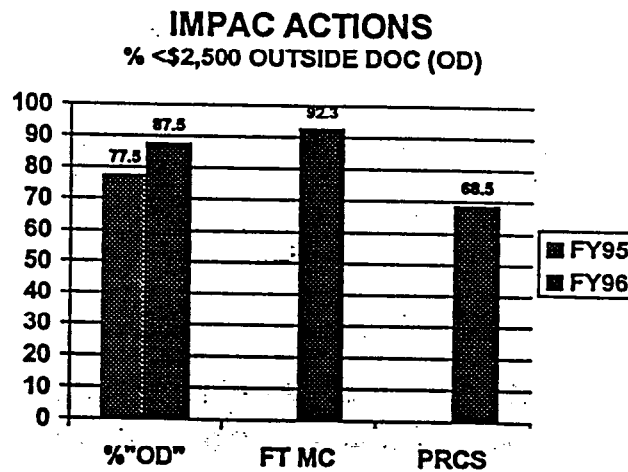
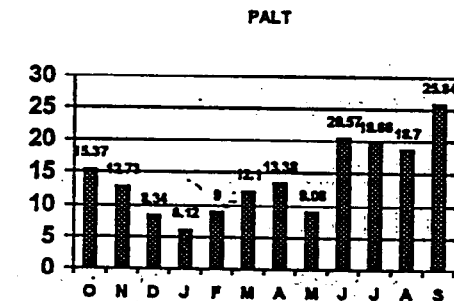


FIGURE 8

3. Contract Administrative Lead-Time (CALT). The AACC maintained good acquisition lead-time performance in FY 96: the average lead time for simplified acquisitions was 17 days, while formal contracts averaged 130 days. (See Figure 9). The AACC has been operating above its designed capacity since its formulation and operated at 20% above their maximum sustainable capacity for six months during the Olympics. This had an impact on CALT time for FY 96 which will obviously ripple into FY 97.

FY 96 ADMINISTRATIVE LEAD-TIME



CALT: SERVICES - 129 DAYS
 SUPPLIES - 48 DAYS
 CONSTRUCTION - 129 DAYS

FIGURE 9

As part of the DCSLR Review and Analysis Program, the AACC used FY 96 as part of the baseline for measuring achievement of CALT goals:

REVIEW AND ANALYSIS CONTRACT ADMINISTRATIVE LEAD-TIME (CALT), AACC FISCAL YEAR 96

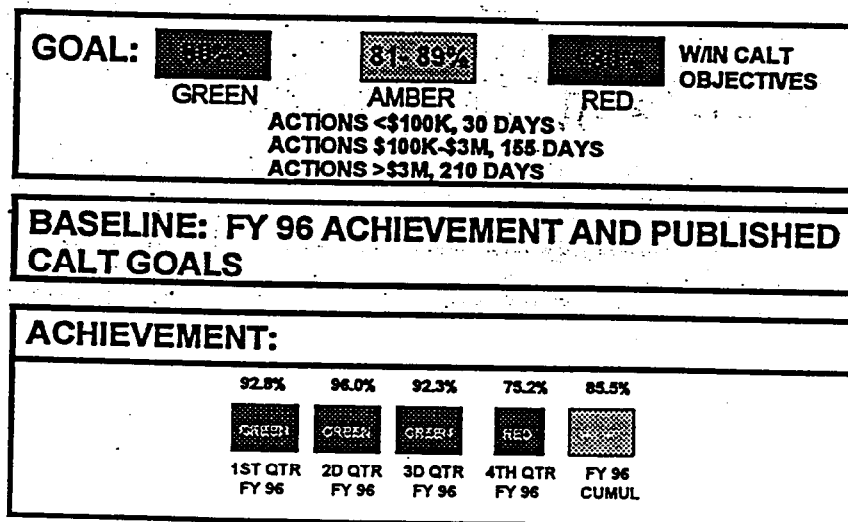


FIGURE 9A

Figure 9a demonstrates AACC performance as a percentage of actions within established CALT, as opposed to averages. It readily demonstrates the impact of workload in the last quarter in the fiscal year. Two factors contribute to significantly longer lead-times in the fourth quarter, resulting in condition "red":

1. 43.5% of the workload (total actions processed) occurred in the fourth quarter. Compressing this portion of the total workload into one quarter causes actions to back up in the "queue", resulting in much longer average lead times during this quarter.

2. Recurring annual contracts (such as for maintenance) are submitted beginning late in the third quarter. Because these actions do not have to start until 1 October of the following fiscal year, they are worked on a "time available" basis and are often deferred in order to obligate expiring FY funds. However, lead-time begins upon receipt, so the CALT for these actions is often much longer than average.

Because such a significant portion of the workload is accomplished in the fourth quarter, the impact on the average CALT for the fiscal year is significant. Almost 75% of all actions outside of CALT objectives occur during the fourth quarter (228 out of 305). This skews the achievement of the objective for the entire year, resulting in condition "amber" overall, despite the fact that condition "green" is consistently achieved the other three quarters.

4. Customer Survey. The AACC initiated customer satisfaction surveys to measure its performance in FY 96 for the Fort Polk JOC regionalization effort (rating 4.55 on a scale of 6, with 6 a strongly positive perception), the Fort McPherson Garrison DPW (4.89 on a scale of 6), and the Fort Buchanan DPW (no response).

1. FY 95 Savings. FY 95 savings in the AACC totaled \$1,421,082. Combined with previously reported savings, the total through FY 95 was \$18,134,848.

2. FY 96 Savings. (Documentation on file. May require adjustment in FY 97 to reflect actual accrued). This brings the total for the AACC to \$30,269,070.

SAVINGS	SOURCE
14,129	XVIII LANGUAGE CONTRACT CONSOLIDATION: K ADMIN
57,712	RTS-MED CONSOLIDATION: K ADMIN
57,712	BPC CONSOLIDATION: K ADMIN
34,776	MWR CREDIT CARD CONSOLIDATION: K ADMIN
115,424	SOLVENT RECYCLING CONSOLIDATION: AWARD
771,000	SOLVENT RECYCLING CONSOLIDATION: ECONOMIES OF SCALE
4,000,000	CSSC - HAITI (NEGOTIATION)
169,400	CSSC - HAITI (UNDERRUN)
1,148,000	FAME - CONSOLIDATION/OFFLOAD AVOIDANCE
146,172	ARMY ATLANTA CONFERENCING
8,000	PRESORT MAIL CONTRACT (REDUCED RATES THRU CONSOLIDATION)
39,000	AVOIDANCE OF EXCESS OFFLOAD CHARGES
326,889	CAS3 TRAINING - SAVINGS BY AACC NEGOTIATION OF NEW CONTRACT VS OPTION EXERCISE BY FORT MEADE
1,249,420	UNICOR REPARABLES BOA - CONSOLIDATION
73,479	PAGER CONTRACT - SAVINGS OVER PREVIOUS CONTRACT
58,000	SAVINGS ASSOCIATED W/TRAINING PROMO, "JAG IN A BAG"
454,866	QUALITY SAVINGS FROM FACILITY SUPPORT (NEGOTIATION AND INNOVATION)
3,092,749	FORT POLK JOC REGIONALIZATION EFFORT
12,000	1% OFFLOAD SURCHARGE SAVINGS FOR 1A RADIOS
265,094	OFFICE CONSOLIDATIONS SAVINGS (5 SPACE REDUCTION FOR ONE FULL YEAR, 14, 2-11, 7, & 5 + 29.65% INDIRECT)
12	
40,400	OVERTIME SAVINGS
12,134,222	TOTAL
9,041,473	SUBTOTAL (EXCLUDING REGIONALIZATION)

4,872,073	SUBTOTAL (EXCLUDING REGIONALIZATION & CSSC-HAITI)

SECTION IV - FACILITIES AND EQUIPMENT

1. Facilities.

a. The CCO is located in Buildings 130 and 131, south side, first floor, Fort McPherson, Georgia. Technology Section is located in Building 130 with Office of the Chief personnel and three Supply and Services personnel. The remaining Supply and Services personnel and Facilities Support are located in Building 131. In general facilities are adequate, although somewhat crowded, lacking in conference space (one small conference room in 131 and shared access to the SJA conference room in 130), and not well designed for systems furniture.

b. Building 131 has space for 26 personnel and contains a unisex bathroom with access to other bathrooms in the north side, upstairs, and in 130. Building 130 has space for 21 including a small kitchen area, a small administrative area for facsimile and files, a four seat meeting area, and a large men's restroom (including shower facilities).

c. A large number of black lateral files are located in the hallway of 131, giving it a somewhat crowded appearance. At least two workstations in 131 had inadequate lighting and the "porch" area has plexiglass window panels that will not open, causing heat build-up in that area. Various work-arounds or changes have been made to increase the "livability" of 131.

d. The facility for PRCS, which was occupied for some time by both PRCS and NAF contracting personnel, is considered marginal. For example, the office has a tree growing from the roof and limited lighting and ventilation due to hurricane panels. Once NAF personnel moved out, the facility is more than spacious to accommodate eight personnel. However, the result is an office configuration that separates personnel and interferes with effective communication and coordination among a small work force. The building contains an excellent reception/customer waiting area and two conference rooms. Offices are primarily upstairs, as are restrooms which are unisex and marginal in condition. The building is equipped with an intrusion detection system which appears unnecessary. The Chief PRCS has made provision as much as possible to move personnel in closer proximity and improve the overall organization, appearance, and usefulness of the facility pending a move in FY 97 to a newly designed and constructed area.

2. SAACONS/Office Automation/Equipment.

a. In Atlanta SAACONS access is provided on a UNIX system and interfaced with PCs through SEQUENT. All employees have access to SAACONS, and all users have a basic familiarity with the system. In addition, most major customers have access to SAACONS to track their requisitions. Periodic SAACONS/CAPS reconciliation is conducted with DFAS Orlando. SAACONS data is protected from catastrophic loss by archiving it quarterly to an off-site location. The database is updated monthly and kept for one year. Office automation is good. The personal computers are basically Pentiums, and transition to Windows 95 was initiated in FY 96. All employees have access to the Local Area network (LAN) and all have e-mail, though only the Section Chiefs had internet access in FY 96. PRCS automation, while adequate, is more marginal and lacks the system sophistication AACC-Atlanta enjoys as a result of its proximity to FORSCOM headquarters. E-mail there is not on the MicroSoft platform and internet capability is not currently available to PRCS personnel.

b. In consolidating the offices between Fort Gillem and Fort McPherson during the original merger the two separate SAACONS databases had to be combined, a process completed in FY 96. The DOC SAACONS (PIIN DAKF11) is used as the host and the smaller CCO host has been transferred within FORSCOM. PRCS has its own SAACONS, using the DAKF11 PIIN in the 8000 series. The AACC is FACNET/EDI capable, while PRCS lacks this capability due to lack of networking. It is hoped the new facility and equipment upgrades at Fort Buchanan will remedy this difficulty.

SECTION V - SPECIAL ITEMS OF INTEREST

1. General. FY 96, the first full fiscal year for the AACC, was filled with unusual challenges. Significant events are summarized in Figure 10.

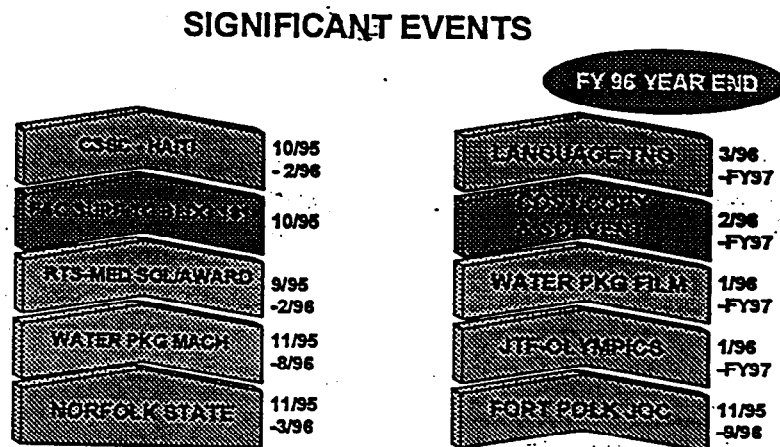


FIGURE 10

Some of the more notable successes are shown in Figure 11.

SUCSESSES

- FORT BUCHANAN
- CSSC - HAITI
- NORFOLK STATE
- OLYMPIC SUPPORT
- FY 96 CLOSE-OUT
- SELF-DIRECTED WORK GROUP
- AWARDS PROGRAM
- FY 95 REPORT
- STRATEGIC PLANNING
- MISSION, RESULTS, CUSTOMERS!!!

FIGURE 11

2. Fort Buchanan. Since assuming responsibility for the Fort Buchanan sub-office in May 95, the AACC provided aggressive assistance and oversight. The Fort Buchanan sub-office received a marginal rating as the result of a FORSCOM CMR in December 1995. A new chief arrived in Jun 96, and the operation of the Fort Buchanan sub-office was much improved in FY 96. The AACC provided the following assistance:

The Chief, AACC, visited twice in FY 96
Four persons for CMR follow-up Feb 96
Four persons Mar/Apr 96 follow-up
FA97 Reserve LTC Jun 96
Section Chief, S&S, assisted new Chief in transition, Jun 96
Two people for assistance Jul 96
Two people from Ft. Stewart assisted FY 96 Year-end support
The transfer of ADP and over \$50 thousand workload to AACC
(In FY 96 the AACC accomplished 49 actions totaling \$2.4M in Atlanta on behalf of PRCS)

3. Contingency Support Services Contract (CSSC) - Haiti.

a. This acquisition was for a follow-on contract to the Logistics Civilian Augmentation Program (LOGCAP) contract for

non-personal services to augment logistics systems during contingency operations, exercises and troop deployments in the

Caribbean, Central and South America. The contract is a Time and Materials Plus Award Fee. The contractor provides labor hours and materials, as specified in individual task orders, necessary to perform base operations, logistical, and other designated support services at sites within the general geographic area of the Contract as determined by the Government. The major functions of the contract includes but are not limited to: food service; waste removal and disposal; airfield operations; information management; morale, welfare and recreation; transportation; real property maintenance and repair; supply operations; maintenance; professional skills; custodial services; administrative support; and laundry operations. The intent is to use this contract to supplant LOGCAP contractors after a contingency or deployment has matured to the point the LOGCAP Contract is no longer economical. The task orders issued under this contract will replace LOGCAP contractors and other supporting contractors in those areas where local contracting is not feasible or economical, and may be used to free up military units for redeployment.

b. The CSSC was awarded 20 February 1996, a total of 105 days CALT. Initial task order for planning contingency support was issued 1 March 1996. Task order for Haiti support was issued 6 March 1996. Most contract administration functions for the Haiti order were delegated to Defense Contract Management Command - International. Support there transitioned from the LOGCAP contract (Brown & Root) to the CSSC-Haiti contract (DynCorp and Brown & Root, a joint venture) on 1 May 1996. In January 1997 a performance review indicated the overall performance rating was 90%, "above average", while significantly decreasing costs (estimated 23%+). For FY96 the contract with DBR experienced an under-run of \$169,400.

4. Norfolk State. Contract number DAKF11-96-C-0005 for training support for Command Arms Services Staff School (CAS3) and Command and General Staff Officer College (CGSC) training was awarded to Norfolk State University (NSU) on 28 Mar 96 for \$494,202.00. The contract was a result of a determination made on 5 Feb 96 by the Secretary of the Army that it was in the public interest to award this contract to NSU, a historically Black College and University. USARC customers expressed satisfaction with the support by NSU. Similar services were previously provided by NSU in 1995 under a contract awarded by

Fort Meade at a price of \$841,322. Due to Army efforts to consolidate and regionalize the training support, the option which was included under Fort Meade's contract at \$821,091 for calendar year 1996 was not exercised, and instead the Army Atlanta Contracting Center entered into a new agreement with NSU

based on a statement of work which was baselined on a similar contract at the University of Southern Mississippi.

5. Olympic Support. From the early beginnings of the JTFO in late 1995 through the Summer Olympiad in Atlanta, the AACC was an integral part of the support team for thousands of soldiers providing security services in support of the Olympics. Through innovative matrix management and judicious use of compensatory and JTFO funded overtime, the AACC absorbed an additional mission comprised of 72 contracts and a total of 215 contract actions (delivery orders, modifications, purchase orders, contracts) estimated in excess of \$10 million for this high visibility DoD mission. Numerous personnel in the AACC received recognition from the Commander, JTFO, Mr. Billy Payne, ACOG, and Secretary of Defense Perry for supporting this mission.

6. FY 96 Close-out. The AACC had a successful FY 96 close-out. A total of 1,647 line items were received between 1 August and 30 September 1996, while 231 awards were processed during period 23-30 September (including Saturday and Sunday). From 1-30 September 1996 AACC made 518 awards including 398 FY 96 actions and 120 FY 97 renewals. The PRCS successfully closed out FY 96 actions and most FY 97 renewals (approximately 80 line items for FY 97 renewals remained to be done, 40 of which were not received until 1 October 1996). From 1-30 September 1996 PRCS made 106 awards (including purchase orders, delivery orders and mods to existing contracts).

a. The following email quote is provided from Mr. Mike Sturgis, DPW, U.S. Army Garrison, Fort McPherson regarding year-end:

"I want to take the opportunity to thank all of you for your tremendous support at yearend. DPW was successful in awarding over \$5.3M in projects during September, but we certainly didn't accomplish this in a vacuum. Your professional and cooperative attitudes contributed immensely to the smoothest (and largest) yearend in my 6 years in this job. This is what Total Army Quality is all about!"

b. The following email quote is provided from Chief Warrant Office Dye, FORSCOM SJA regarding year-end support:

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"really appreciate the outstanding support that you gave us with our year-end purchase contracts. Due to your hard work and dedication there are 130 JAG employees throughout FORSCOM that will be more productive and a lot happier.

P.S. Ron, I am sure that COL(P) Barnes will not forget what you and your people have done for Legal Offices FORSCOM-wide, (because I will let him) :-)"

c. The following is an email quote from the Chief, AACC regarding year-end support:

"was honored by a visit from LTC Long, Commander, Headquarters Command, U.S. Army Garrison. He presented me a coin on behalf of the Garrison Commander in appreciation for support provided by the Army Atlanta Contracting Center during FY end. The credit and honor for this coin is to all of you and I will share it with you at AACC B'day Party on 31 Oct. Thanks for your effort!"

d. The following is an email quote from COL West, Commander, U.S. Army Garrison, Fort McPherson, regarding year end support:

"From: West, Steve COL - USAG
To: Oder, Joseph E. BG - G8; Hickerson, Patricia P MG-DCSPIM; Sakowitz, Philip -SES- DCSPIM; Whaley, David MG - G4
Cc: Howell, Ron - G4
Subject: FW: Yearend Funding
Date: Tuesday, October 01, 1996 08:43PM
Priority: High

We had a successful year end closeout last evening. Our books balanced and we were able to complete a number of projects with the help of tenet organizations. Attached is rollup of major construction projects contracted during the closeout period. The Garrison staff did an exceptional job of putting a plan in place and ensuring we were prepared to execute at year end. Much credit needs to be given to the AACC. They provided timely support and expert advice. Thanks to all who assisted the Garrison during this critical period.

V/R
COL West"

7. Self-Directed Work Group (SWG). In November 1995 a SWG was chartered to collect, collate, create, and revise standing operating procedures (SOP) for the AACC. The following is an excerpt from the group's charter. The SWG created, coordinated, and published numerous SOP during FY 96. The principle to be understood is that procedures created by those who use them will be used more readily and often.

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I. PURPOSE: This charter implements sections of the above references and establishes the Self-directed Work Group (SWG) for the purpose of developing a single set of Standing Operating Procedures (SOP) for the Army Atlanta Contracting Center (AACC)

II. AUTHORITY: CHIEF, AACC

III. MISSION, SCOPE, GOAL: The mission of the SWG is to review, revise, integrate, and streamline existing SOPs so that the AACC has a single set of procedures applicable to Technology, Supply and Services, Facilities Support, and Puerto Rico Contracting Sections. Complete revision is expected by 31 January 1996. However, the SWG will remain intact until

31 December 1996. At that time a new board may be appointed to provide yearly reviews'.

IV. BACKGROUND: The AACC currently has three sets of SOP: Central Contracting Office (CCO) SOP primarily written in 1993; draft SOP written by Garrison Directorate of Contracting (DOC) personnel; and Contract Administration SOP prepared by Chief, Contract Administration Division, Garrison DOC. Since the Garrison DOC and CCO were integrated as the AACC, these existing procedures have not been integrated into a single set.

V. DEFINITIONS:

a. Self-directed work group: a team of individuals given an overall goal. The team is then responsible for the timing, methodology, production and approval of the work product which meets the goal.

b. Management support team: the Chief, AACC; Chiefs, Technology, Supply and Services and Facilities Support; and AACC procurement analyst. This team reviews the work product and in conjunction with the work group, approves the product.

c. Record keeper: the person on the work group responsible for recording the minutes of the work group's deliberations.

d. Process checker: the person on the work group responsible for ensuring that the work group stays on task, allows all members to participate relatively equally, and adheres to its charter.

e. Corporate culture: the complex combination of behaviors, attitudes, and beliefs that permeates the larger context in which AACC operates. These include the behaviors, attitudes and beliefs of customers, legal advisors, Contracting Division personnel, and personnel within the G4, Forces Command (FORSCOM), the Army, etc. For example, a formal statement regarding FORSCOM's corporate culture is reflected by its mission statement: to train, mobilize and deploy combat ready forces; to care for people; to effectively manage available resources; and to develop quality institutions. An informal statement regarding FORSCOM corporate culture might be "power down", that is, allow Corps and Division Commanders the latitude to make decisions.

VI. SWG COMPOSITION:

Facilitator	B. J. Kinsey
Alt Facilitator	Swin Rhodes
Time Keeper	Barbara Brown
Alt. Time Keeper	Heven Ford
Scribe	Jannette Porter
Alt. Scribe	Diane Bidy
Alt. Scribe	Heven Ford
Process Guide	Dixie Hall
Alt. Process Guide	Carol Reger

Recorder • Jan Stowell
Alt. Recorder Diane Biddy

VII. METHODOLOGY:

a. The SWG will use an analytical approach to determine which SOPs need complete revision, minor revisions, additions and/or deletions from the current SQPs. The primary focus to be streamlining, automating and empowering to the lowest practical level.

b. All SWG members will be responsible for review and revision of SOPs. Functional expertise and knowledge will play a large part in the individual assignment of SOP(s) for review and revision.

c. The SWG will meet an average of four hours a week as a group at a date and time to be determined by group members.

d. The SWG representative will brief the Management Support Team (MST) weekly at a mutually agreed upon time about its progress and to present any work product for approval. The SWG representative will be rotated among team members.

e. The SWG will discuss its recommendations and work products with the MST in accordance with the Concept Plan. The Chief, AACC will accord the greatest deference to the SWG recommendations.

f. Recommendations by the SWG will be rejected or returned for revision only by the personal decision of the Chief, AACC, and then only when they specifically conflict with other regulatory guidance, the corporate culture, or the AACC vision and objectives.

g. The SWG will operate in accordance with the provisions of all applicable Army and DoD directives and regulations.

8. Awards Program. See Section II, paragraph 4.

9. FY 95 Report, Strategic Planning, and "Mission, Results, Customers". The FY 95 report was published in June of 1996 and

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contains a copy of the strategic plan for May 96 to May 97. The strategic plan, and its theme of "mission, results, customers" was briefed to virtually all of the AACC workforce and is considered a cornerstone to successfully focusing on and accomplishing the mission. In Section VI, elements of the AACC Strategic Plan for May 97-May 98 are discussed.

10. FORSCOM Preaward Regionalization. During FY 96 the AACC developed and staffed the bulk of its regionalization plan, which was issued in interim form in October 1996. However, regionalization proceeded with the solicitation and award of the Fort Polk JOC contract during FY 96. This was a resounding success, providing quality support at great savings. In

addition, action was initiated in FY 96 on the Fort Polk transportation services contract.

1. Looking to the Future. The AACC Strategic Plan identifies the vision, values, standards, and priorities on which we must focus in order to be successful in performing our mission and serving our customers. We are in a time of rapid and massive change. A strategic plan is essential for organizational health, improvement, and even survival in the face of these changes. As a preface to this report, the AACC mission statement and organizational vision are reiterated. This section will review certain elements of the strategic plan from April 1995 (attached to the FY 95 yearly report) and generally address the May 1996 iteration, which is nearly complete. The AACC - because of the rapid changes in resources, mission, and acquisition tools - prefers to maintain short-term strategic plans (periods of one to two years). The AACC planning corresponds more closely to the FORSCOM PARC's annual assessment and plan, rather than its ten year vision of strategic direction.

2. April 1995 Strategic Plan. The previous annual strategic plan explained the basis for strategic planning (Figure 12) and established the basics for success (Figure 13). It emphasized moving from the old environment of compliance-based contracting to a new environment of flexibility, innovation, customer focus, and reasonable risk taking, as well as compliance. The central theme was mission, customers, and results.

BUILDING BLOCKS FOR STRATEGIC PLANNING

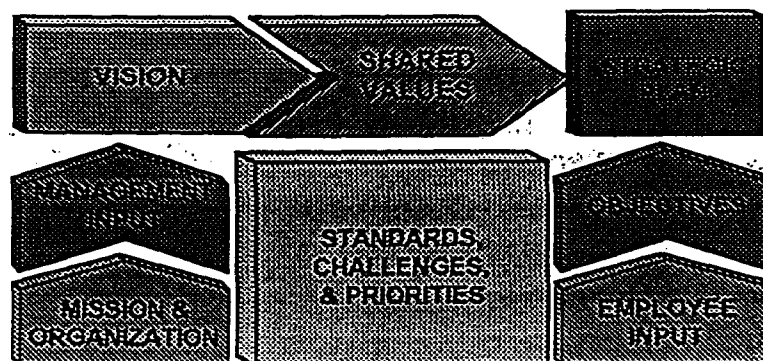


FIGURE 12

THE BASICS: FACTORS FOR SUCCESS

- MANAGEMENT MUST COMMUNICATE VISION AND VALUES
- STRATEGIC PLAN PROVIDES ORGANIZATIONAL DIRECTION
- EMPLOYEES AT ALL LEVELS ACCOUNTABLE
- PERFORMANCE PLANS TIED TO DESIRED BEHAVIORS
- REWARDS BASED ON MODELING DESIRED BEHAVIORS

BOTTOM LINE:

- FOCUS IS ON MISSION, CUSTOMERS, RESULTS
- BUT "CUSTOMER SERVICE ENDS WHERE THE LAW BEGINS"

FIGURE 13

All of this laid the groundwork for the organizational priorities (Figure 14) and strategic direction of the AACC (Figure 15 and 15a).

ORGANIZATIONAL PRIORITIES

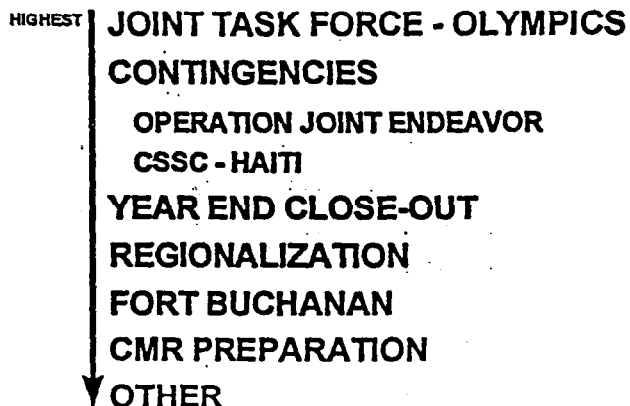


FIGURE 14

ORGANIZATIONAL OBJECTIVES

INTERNAL

•ESTABLISH STRATEGIC DIRECTION

DEVELOP SHORT RANGE TACTICAL PLANS
OBTAIN EMPLOYEE INPUT

•IMPROVE PROCESSES

USE SWG
PROVIDE TRAINING

•DEVELOP AND MONITOR PERFORMANCE MEASURES

•ALLOCATE RESOURCES ACCORDING TO PRIORITIES AND GOALS; ASSESS ABILITY TO MEET CUSTOMERS' NEEDS

FIGURE 15

ORGANIZATIONAL OBJECTIVES

EXTERNAL

•IMPROVE CUSTOMER SERVICE

CUSTOMER EDUCATION
ESTABLISH PARTNERSHIP AND CREDIBILITY
NEGOTIATE MUTUAL EXPECTATIONS

•COMMUNICATE SUCCESS STORIES

•MISSION, CUSTOMERS, RESULTS

FIGURE 15A

To a large extent, both the priorities and objectives of the AACC were achieved. However, emphasis on many of these areas apply to the new annual plan discussed below.

3. May 1996 Strategic Plan. The groundwork for the CY 1997-1998 strategic plan has already been laid. The emphasis, however, has shifted to more effective change management based on the FORSCOM PARC vision of the future as presented at the 1997 Contracting Workshop and the advent of Acquisition Reform. It represents an attempt to position the AACC to successfully meet the challenges of the future (Figure 16).

VISION OF THE FUTURE

PAPERLESS ENVIRONMENT

**TOTALLY AUTOMATED AND INTERLINKED PROCESS (REQUIREMENT-
CONTRACT-CONTRACT ADMIN-PAYMENT, REGULATIONS VIA EXPERT
SYSTEMS)**

CUSTOMERS AS INTEGRAL PARTS OF THE TEAM

**CONTRACTING PERSONNEL ORGANIZED INTO INTEGRATED PRODUCT
TEAMS**

SHORT LEAD TIMES, FAST ACQUISITIONS

**FEW INDIVIDUAL AWARDED CONTRACTS - RELIANCE ON OMNIBUS /
REGIONAL / MASTER CONTRACTS**

LESS REVIEWS, APPROVALS, ROUTINE OVERSIGHT

**EMPOWERED CONTRACTING PROFESSIONALS WILLING TO TAKE
REASONABLE RISK AND APPLY SOUND BUSINESS JUDGMENT**

FIGURE 16

Organizational priorities have likewise shifted as the AACC mission has shifted (regionalization, Commercial Activities) and acquisition reforms are being integrated into the AACC "tool box". Many new challenges await the AACC, and in order to accomplish the mission, the organization and processes have to be "enablers". Acquisition reform, metrics, and process improvement and focus are considered key to achieving other organizational objectives and continue the focus on mission, results, customers. New priorities are shown in Figure 17, while Figure 18 summarizes the keys to achieving them.



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH DEVELOPMENT AND ACQUISITION
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

JUL 3 1997



REPLY TO
ATTENTION OF

SARD-PR

JUN 25 1997

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Contracting for the 21st Century Booklet

This booklet tells the story of Army Contracting. It defines our goals and strategic focus, describes some of our accomplishments, and points the way to the future. I am proud that Army Contracting has led the Acquisition Reform charge and continues to innovate to provide our soldiers the best possible support now and in the 21st Century.

Please distribute this booklet throughout your organization.

Kenneth J. Oscar
Acting Assistant Secretary of the Army
(Research, Development and Acquisition)

Enclosure



CY 97-98 ORGANIZATIONAL PRIORITIES

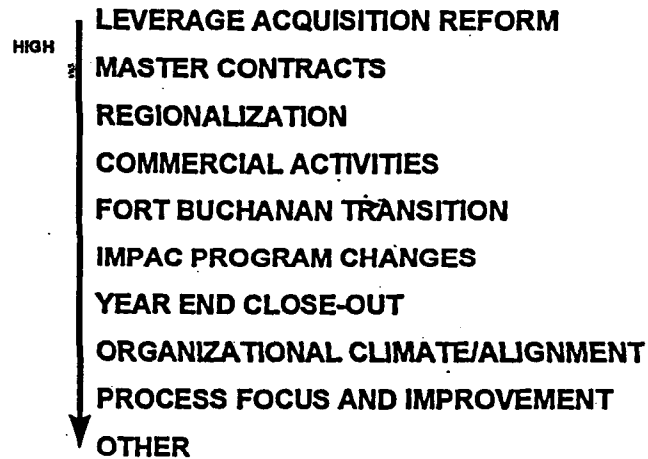


FIGURE 17

WHAT NEEDS TO BE DONE?

- ☒ CHANGE THE CULTURE
- ☒ EMBRACE ACQUISITION REFORM AS A MULTIPLIER
- ☒ INNOVATE AND IMPROVE: PROCESS AND ORGANIZATION
- ☒ DEVELOP METRICS AND MEASURE
- ☒ ASSESS RESOURCES AND APPLY APPROPRIATELY TO PRIORITIES
- ☒ FOCUS ON MISSION, RESULTS, CUSTOMERS



FIGURE 18